

NIO/LA  
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DCI TALKING POINTS

GRENADA

The political situation in Grenada has improved recently as a result of an alliance by moderate parties led by Herbert Blaize to defeat former Prime Minister Gairy in elections likely later this year.

- The moderate parties had been feuding among themselves and were unable to agree on a joint platform.
- Meanwhile, Gairy has been running a strong campaign to regain popular support.
- He even has been hinting that he has the support of key figures in the Reagan Administration.

Despite the moderate alliance, however, no firm date has been set for the elections.

- The Acting Governor-General wants to insure that the alliance holds together and agrees on its candidates before calling for elections.

Meanwhile, OPIC has been anxious to support some US investments on Grenada, but has been getting mixed signals from the Embassy on the political situation and on the US commitment to support the moderate alliance against Gairy.

- OPIC has raised the matter at the NSC level, and McFarlane has asked for an update from State on the political situation.
- Apparently the US Ambassador to Grenada will be in town to discuss the situation.

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